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TAGS: OPRC KMDR  
SUBJECT: MEDIA REACTION: U.S. ECONOMY; U.S.-China SEA SPAT

TOPICS:

- 11. U.S. economy
- 12. U.S.-China sea spat

HEADLINES AND EXCERPTS:

11. U.S. economy

"How he handles the toxic assets tests Obama's determination"

The independent Chinese-language Hong Kong Economic Journal said in an editorial (3/23): "Since the Obama administration took office, it has showed a tough style. It is firm in fixing the financial market. However, almost three months have passed, and it has accomplished basically nothing.... The Obama administration has introduced many measures to deal with the economic crisis, ranging from saving financial institutions, helping property owners, and helping small and big enterprises secure credit, to stimulating consumer credit and carrying out stress tests for banks and other economic stimulus plans, etc. But all these plans are just spinning and do not deal directly with the cause of the financial crisis - the toxic assets of banks. As long as this problem is not dealt with, there is no hope of ending the financial crisis. The Wall Street Journal said that removing toxic assets may offer a good opportunity for the Obama cabinet to deal fix the financial system. It can also show the U.S. administration's determination to solve the financial crisis completely. The only danger is that if the move of the Congress rescuing AIG turns into a scandal of public money falling into pockets of AIG's executives, it will make it more difficult for the administration's request to the Congress to approve grants in the future."

"Obama's golden hundred days are the key to saving the economy"

The independent Chinese-language Hong Kong Economic Times commented in an editorial (3/23): "The U.S. administration may announce details about buying banks' 'toxic assets' as early as today. President Obama has adopted strong measures in the past few days, hoping to rescue the financial market and the economy in his first 100-days honeymoon period of popularity. He wants the public to continue having confidence in him. Otherwise, if his popularity rapidly declines after the honeymoon period, it will be more difficult for him to rescue the U.S.... After the 100 days, the U.S. economy will continue to get worse. It will take a favorable turn next year, at the earliest. This will certainly lead to the decline of Obama's popularity. The worse the economy gets, the angrier the public will be. This 'accidental incident' will hurt the popularity of the administration more. In the past week, the AIG bonus incident has already made Treasury Secretary Geithner miserable. There are calls for him to step down. Such accidental incidents will only be more severe in the future. Obama's success or failure will depend on whether he can introduce the most potent

measures to rescue the financial market and the economy and bring hope to the U.S. economy in the first 100 days and slow down the decline of his popularity."

"Stop greediness to save the crisis, Obama should not stop at just putting on a show"

The pro-PRC Chinese-language Wen Wei Po had this editorial (3/23): "...Regarding the shameless AIG executives, Obama strongly criticized them and announced that the annual salaries of financial institutions' executives who received government funding should not be over US\$500,000. The Congress also quickly passed the bill to levy 90 percent tax on bonuses. However, these measures are just a slow move to stop AIG's greediness. They did not help solve the AIG crisis. They seem to be putting on a show to win public opinion. Obama should see that resolving the financial crisis is his biggest responsibility. Obama should order AIG and Wall Street executives who caused the financial crisis to return their bonuses. In addition, these executives should not get away with using excuses. Because only these 'talented people' who caused the disaster can be able to crack these complicated underlying assets and solved the existing problems and help AIG and other financial institutions to get out of the crisis."

"Greediness leads to the AIG crisis; Washington should be denounced for burying its head in the sand"

The independent Chinese-language Ming Pao Daily News had an editorial (3/22): "...It has been half a year since the financial tsunami broke out. It is very clear who the chief culprit is. The whole financial system including the regulatory system should be held largely responsible. From beginning to end, they have buried their heads in the sand. The U.S. administration is negligent in its regulatory role. The financial institutions practiced deception and claimed they had performed their responsibilities. The AIG bonus crisis shows the underlying recklessness that exists despite the financial tsunami. If people do not recognize the ethical causes of the financial tsunami and set up a powerful regulatory system, when the economy recovers from the financial tsunami and the financial industry becomes 'God's favored one' again, the bad practices strongly criticized by people now may end up causing trouble again."

"Wall Street should mull over the bonus crisis"

The pro-PRC Chinese-language Macau Daily News remarked in an editorial (3/22): "...American people are unhappy with the huge bonuses of AIG but AIG has to fulfill its contract. Standing in the middle, the Obama administration is like walking on thin ice. If it makes a little mistake, the public anger will be turned against them. Actually, many U.S. newspapers have strongly criticized the Obama administration for interfering too late. Some people are even urging Treasury Secretary Geithner to resign. Obama therefore needed to make strong criticisms and vow to deal with the crisis on television. This is crisis communications. Obama wants to show that at this moment he is with the public and the AIG crisis is not his administration's fault. In this crisis, AIG seems to be the scapegoat. But it is not exactly a scapegoat because it is one of the troublemakers of the crisis. The AIG crisis gets bigger and bigger, not only because of the political struggle between the Congress and the White House. It also shows that the American public utterly detests Wall Street. Wall street should think about it carefully."

## 12. U.S.-China sea spat

"No need for U.S. ships to ruffle the diplomatic seas"

The independent English-language South China Morning Post said in an editorial (3/22): "A U.S. scientific vessel on its way to the South China Sea and Taiwan Strait has caused controversy among green groups and may be in danger of sparking a diplomatic incident with China. The marine survey vessel Marcus G. Langseth - operated by Columbia University's Lamont-Doherty Earth Observatory - has impeccable scientific credentials. There is no doubt the survey it has planned to conduct off Taiwan and the southern mainland are genuine and scientifically valid. But by planning to operate within China's exclusive economic zone, apparently without approval, it

risks being unnecessarily provocative at this sensitive time. The confrontation this month between a U.S. Navy surveillance ship and several Chinese vessels in the economic zone caused a spat between Beijing and Washington. Those responsible for the Langseth should take steps to secure Beijing's consent to ensure that no problems arise.... As a matter of good diplomacy, the U.S. researchers should also work with green groups to explain their research and allay concerns. Instead of courting controversy, the Langseth should use this as an opportunity to promote diplomatic and scientific understanding."

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